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VIA FACSIMILE AND FIRST CLASS MAIL

Chairman Karen Getman and Commissioners
Fair Political Practices Commission
428 J Street, Suite 620
Sacramento, CA 95814

Re: Advertising Disclosure - Proposed Emergency Regulations

Dear Chairman Getman and Commissioners:

This letter concerns the proposed emergency regulations which would implement the advertising disclosure requirements of Proposition 208 (proposed Regulations 18402 and 18450.3 - 18450.5).

Proposed Regulations 18402 and 18450.3 - Committee Names

Section 84504 requires "any committee that supports or opposes one or more ballot measures" to include in its name a phrase that clearly identifies the economic or other special interest of its major contributors of \$50,000 or more. The Commission staff has recommended that these requirements be applied only to committees primarily formed to support or oppose one or more ballot measures. We strongly agree with this recommendation.

As I testified at the November 2001 Commission meeting, applying the requirements of Section 84504 to all committees that receive contributions would produce absurd results. For example, it would require a candidate-controlled committee that makes any expenditure to support or oppose a ballot measure to include the name of its "major contributors" in the committee name.

In addition, a general purpose committee that supports a wide variety of candidates and ballot measures, and has been in existence for many years, could be required to determine the total contributions it has received from each contributor since the committee filed its initial statement of organization, and include the two top contributors in its name,



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regardless of when the contributions were received. See Gov't Code §§ 84502, 84504. For example, assume that the ABC Company has been a regular and generous contributor to the Widget Manufacturer's PAC during the first two decades that the PAC existed, until two years ago, when the ABC Company and the PAC had a fundamental disagreement and the ABC Company stopped its contributions. The Widget Manufacturer's PAC could be required to include the ABC Company in the PAC name, despite the lack of receipt of any recent contributions from the ABC Company, if the ABC Company qualifies as one of its top two contributors of \$50,000 or more. Moreover, the PAC may have difficulty retrieving contributor information that is several years old, since it is not required to keep records for more than four years following the date of the campaign statement to which they relate. 2 Cal.Code Regs. § 18401(b)(2). By limiting the application of Section 84504 to committees that are primarily formed to support or oppose one or more ballot measures, these problems would be eliminated.

Proposed Regulation 18450.4 – Committee Name Identification and Contents of Disclosure Statements

We urge the Commission to allow committees the flexibility to comply with the advertising disclosure requirements in the most concise manner possible when disclosure of major contributors is required in the text of advertisements. This is particularly important in broadcast advertisements, where time is very limited and each additional word required in the disclosure statement reduces the committee's ability to effectively communicate its message. Accordingly, we support the adoption of Option 3 in proposed Regulation 18450.4, which contains no required language, rather than Option 1, as recommended by the Commission staff, which would require the use of a specific phrase.

Please do not hesitate to contact me if you have any questions concerning this letter.

Very truly yours,

Kathryn E. Donovan

cc: Luisa Menchaca, Esq.
C. Scott Tocher, Esq.

Mr. F. K. Lowell